

COMMISSIONER OF SECURITIES & INSURANCE

MONICA J. LINDEEN
COMMISSIONER



OFFICE OF THE MONTANA
STATE AUDITOR

ADVISORY MEMORANDUM

TO: ALL FOREIGN TITLE INSURERS AND NONRESIDENT TITLE INSURANCE PRODUCERS

FROM: MONICA J. LINDEEN – COMMISSIONER OF SECURITIES AND INSURANCE, MONTANA STATE AUDITOR

DATE: FEBRUARY 27, 2014

REPORTS OF VIOLATIONS BY FOREIGN TITLE INSURERS AND NONRESIDENT TITLE INSURANCE PRODUCERS

The Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), has received reports that certain foreign title insurance companies and nonresident title insurance producers may have committed violations of the Montana Insurance Code, Mont. Code Ann. § 33-1-101, et seq. (Code).

These reported violations include allegations of unlicensed activity, rate violations, failure to pay premium tax on policies written in Montana, and failure to conduct reasonable searches according to underwriting standards and standards of insurability set forth in § 33-25-214 and ARM 6.6.2201. The CSI will determine what constitutes a failure to conduct a reasonable search on a case by case basis.

Please be advised that all foreign insurers, nonresident producer agencies, and nonresident producers transacting title insurance in Montana must be licensed by the CSI. Additionally, all producers must be appointed by insurers, premium taxes must be paid on title policies written in Montana, and title insurers doing business in Montana must file rates pursuant to Mont. Code Ann. § 33-25-212.

Failure to comply with the foregoing or any other provision of the Code will result in the CSI taking the necessary regulatory action which may include discipline regarding licensure, and the imposition of fines, or both.

If you have any questions about this advisory memorandum, please contact the CSI Legal Services Bureau at (406) 444-2040.